

Michael O. Leavitt Governor Kathleen Clarke Executive Director Robert L. Morgan

State Engineer

Southwestern Region 585 North Main Street, Suite 1 PO Box 506 Cedar City, Utah 84721-0506

Cedar City, Utah 84721-0506 12 June 2000 435-586-4231

RECEIVED

JUN 15 2000

Henrieville Irrigation Corporation PO Box 26 HENRIEVILLE UT 84736

WATER RIGHTS SALT LAKE

RE: LETTER TO YOUR STOCKHOLDERS DATED MAY 23, 2000

Dear President, Board Members and Watermaster:

435-586-2789 (Fax)

A copy of the referenced letter was sent to this office by one of your stockholders and was received on 07 June. It is evident that your company, like most in this part of the state, is working hard to deliver a fair distribution of water to all stockholders during a period of low supply and high demand. Not an easy task, for certain.

Your stockholder expressed two basic concerns regarding the "water restrictions" set forth in the referenced letter:

- 1) The requirement that a specific number of nozzles (based on a maximum of four nozzles per stock share) must be operated 24-hours per day does not allow sufficient flexibility for irrigators who may need to run fewer nozzles part of the time and more nozzles part of the time in order to efficiently irrigate their crops.
- 2) There is a substantial amount of ground currently under irrigation that is not legally part of the company's adjudicated acreage. If the unauthorized acreage was to be properly taken out of production, there would sufficient water for those with the remaining acreage without having to impose such restrictions.

Whereas the Division of Water Rights / State Engineer has no authority to intervene in the internal operations of a mutual irrigation company, the first concern, taken alone, appears to clearly fall outside the jurisdiction of this office. However, the second concern is one that we have discussed at length in the past. To the extent that your company's water restrictions may be caused by irrigation of unauthorized acreage, your stockholder's concerns are both of interest to our office.

Please contact me at your earliest opportunity – preferably in writing so that a public record is created – with your company's response to these concerns. We look forward to working cooperatively with your company in handling these difficult and challenging problems.

Sincerely,

Kerry Carpenter, P.E.

Regional Engineer

Lee Sim, P.E. / Assistant State Engineer / Distribution & Adjudication Robert L. Morgan, P.E. / State Engineer